



M E M O R A N D U M

TO: Rosalyn Hughey, City of San José
Robert Manford, City of San José
FROM: Audrey M Zagazeta, Circlepoint
SUBJECT: CEQA Findings for the Diridon Station Area Plan Amendment
DATE: October 23, 2020

Circlepoint has completed the environmental analyses for the Diridon Station Area Plan (DSAP) Amendment pursuant to our contracted scope of work. Our approach included the preparation of an expanded initial study, in the form of a California Environmental Quality Act (CEQA) Addendum that evaluates the DSAP Amendment changes in relation to analysis in the Downtown Strategy 2040 Environmental Impact Report (EIR), certified by the San José City Council in December 2018.

The Downtown Strategy 2040 EIR Addendum (Addendum) has been prepared in conformance with the CEQA Guidelines (Title 14, California Code of Regulations §15000 et seq.), and City regulations and policies.

This memorandum provides the overall CEQA findings for the Addendum, and our recommendation of the appropriate CEQA document based on the CEQA Guidelines presented below.

CEQA Guidelines for an Addendum

CEQA Statutes Section 21166 and CEQA Guidelines Sections 15162 and 15164 provide that an Addendum to a previously certified EIR can be prepared for a project if the criteria and conditions summarized below are satisfied:

- **No Substantial Project Changes:** There are no substantial changes proposed in the project which will require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.
- **No Substantial Changes in Circumstances:** Substantial changes have not occurred with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.
- **No Substantial New Information:** There is no new information of substantial importance which was not known or could not have been known at the time of the previous EIR that shows any of the following:
 - (a) The project will have one or more significant effects not discussed in the previous EIR;
 - (b) Significant effects previously examined will be substantially more severe than shown in the previous EIR;
 - (c) Mitigation measures or alternatives previously found not to be feasible would, in fact, be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternatives; or
 - (d) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative



If the changes would involve new significant environmental impacts or a substantial increase in the severity of previously identified significant impacts, further environmental review (in the form of a Subsequent or Supplemental Environmental Impact Report) would be warranted per CEQA Guidelines Section 15162 and 15163. If the changes do not meet these criteria, then an Addendum, per CEQA Guidelines Section 15164, is prepared to document any resulting changes to environmental impacts or mitigation measures.

DSAP Amendment

The Addendum to the Downtown Strategy 2040 EIR analyzes the proposed increases in density and development capacity that would be added to the DSAP as part of the DSAP Amendment (see **Figure 1**). The Downtown Strategy 2040 EIR is the most recent planning-level EIR to evaluate development within 90 percent of the DSAP area.

The environmental analysis in the Addendum is based on the DSAP Amendment project description derived from the capacity study conducted by Skidmore, Owings & Merrill LLP (SOM) on behalf of the City, dated January 24, 2020. The SOM capacity study evaluated potential increases in development capacity in the DSAP resulting from the lifting of One Engine Inoperative (OEI) height restrictions. For CEQA purposes, the City decided to analyze the maximum office and residential capacities, with the caveat that actual development capacities may be less after the DSAP Amendment if finalized through the public outreach. **Table 1** below shows the proposed maximum buildout compared to the original DSAP assumptions contained in the Downtown Strategy 2040 EIR.

The growth shown in **Table 1** is a summary of planned growth capacity in the 2014 DSAP and planned General Plan development capacity equivalent to approximately 12,619 housing units and 14.1 million square feet of commercial office space. This growth is proposed to be reallocated to Downtown from other planning areas identified in the General Plan to support transit-oriented development, which in turn reduces vehicles mile traveled (vmt) and supports Smart Growth.

Table 1 - Change in Maximum DSAP Development Capacity

	Office (sf)	Retail (sf)	Residential (units)	Hotel (units)
<i>Original DSAP (2014), a subset of capacity in Downtown Strategy (2018)</i>	4,963,400	424,100	2,588	900
<i>Proposed Amendment to DSAP Capacity (DSAP Amendment)</i>	7,838,000	-	7,044	-
<i>Proposed Amendment to DSAP Capacity (Downtown West Project)</i>	6,306,000	469,000	5,575	1,100
Net Increase in DSAP Development Capacity	14,144,000	469,000	12,619	1,100

Source: City of San José 2020
 sf = square feet; DSAP = Diridon Station Area Plan

Additionally, the DSAP Amendment would allow up to 24,166 square feet of commercial office space and up to 2,671 residential units located in areas within the DSAP but outside of the Downtown boundary. This portion of the DSAP Amendment-related growth would not represent an increase in development capacity above what was planned for in



the Downtown Strategy 2040 and is consistent with the official growth allocations and forecasts from the City’s 2040 Envision San José 2040 General Plan and Association of Bay Area Governments (ABAG). **Table 2** below summarizes the net growth in Downtown Strategy 2040 development capacity from the Downtown West project and the DSAP Amendment.

Table 2 – Change in Maximum Downtown Strategy 2040 Buildout

	Office (sf)	Retail (sf)	Residential (units)	Hotel (units)
<i>Original Downtown Strategy 2040 (2018)</i>	14,200,000	1,400,000	14,360	3,600
<i>Proposed Amendment to DSAP Capacity within Downtown Boundary (DSAP Amendment)</i>	7,813,834	-	4,373	-
<i>Proposed Amendment to DSAP Capacity (Downtown West)</i>	6,306,000	-	5,575	-
New Total Downtown San José Development Capacity	28,319,834	1,400,000	24,308	3,600

Source: City of San José 2020
sf = square feet

Other Planned Development

A list of other planned development projects within the DSAP area is considered in the Addendum, including future reasonably foreseeable transportation projects within the DSAP area. New transportation projects planned under the DSAP Amendment include primarily pedestrian, bicycle, and transit upgrades, as well as several roadway improvements. In addition to these projects, two lots located near the San José Arena would be converted to surface parking as an interim use and potential future parking garages. The Downtown West project is a proposed development undergoing separate, project-level environmental review that would occupy approximately 81 acres of the DSAP area. Downtown West is currently under consideration for approval by the City and is undergoing a separate, project-level environmental review process.

CEQA Findings

The Addendum describes changes that have occurred in the existing environmental conditions within and near the DSAP area and Downtown, as well as environmental impacts associated with DSAP Amendment. The major changes proposed as a part of the DSAP Amendment process would intensify the planned densification of the Downtown Strategy 2040 EIR to allow for mixed uses and public infrastructure, strengthening the City as a regional employment center, entertainment destination, and significant hub for public life. The draft Addendum also includes an analysis of cumulative impacts of the DSAP Amendment in conjunction with other planned development, including the Downtown West project.



The environmental impacts of the Downtown Strategy 2040 were addressed by a Final Program EIR entitled, "Downtown Strategy 2040 General Plan Final Environmental Impact", and findings were adopted by City Council Resolution No. 78944 on December 18, 2018.

The Addendum includes an analysis of aesthetics, air quality, noise, historic resources, greenhouse gas emissions, transportation, and other topical areas consistent with the Appendix G CEQA Guidelines. Several technical studies were prepared to support the analyses in the Addendum including:

- Air Quality
- Greenhouse Gas
- Noise and Vibration
- Transportation

The environmental analysis presented in the Addendum indicates that there are no substantial changes proposed by the DSAP Amendment that would result in new significant environmental effects or a substantial increase in the severity of previously identified significant effects. Therefore, no major revisions of the existing EIR or preparation of an a new subsequent or supplemental EIR would be required. The technical reports and environmental analyses provides the substantial evidence required to support these findings and is presented in the Addendum and administrative record for the DSAP Amendment. Based on the conclusions of the environmental analysis and supporting technical reports, it is Circlepoint's expert opinion that an Addendum is the appropriate CEQA document for this project.

Next Steps

The administrative draft Addendum was submitted to the City for review and comment on October 21, 2020. City Staff will review the document and come to an independent conclusion and CEQA finding based on the information provided in the report. We look forward to receiving the City's comments on the administrative draft Addendum. Please do not hesitate to reach out with any questions or comments in the interim.



Not To Scale



Legend

-  Existing Diridon Station Area Plan
-  Downtown Strategy 2040